

Schedule 2

Notice of Auction and Sale Hearing

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re:

CENTERSTONE LINEN SERVICES, LLC,
ATLAS HEALTH CARE LINEN SERVICES CO., LLC,
ALLIANCE LAUNDRY & TEXTILE SERVICE, LLC,
ALLIANCE LAUNDRY AND TEXTILE SERVICE OF
ATLANTA, LLC, and
ALLIANCE LTS WINCHESTER, LLC
*d/b/a Clarus Linen Systems*¹,

Debtors.

)
)
) Case Nos.
) 18-31754 (main case)
) 18-31753
) 18-31755
) 18-31756
)
) 18-31757
)
) Chapter 11 Cases
) Jointly Administered
)
)

NOTICE OF AUCTION AND SALE HEARING

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On March 13, 2019, debtors Centerstone Linen Services, LLC d/b/a Clarus Linen Systems (“Centerstone”) and Atlas Health Care Linen Services Co., d/b/a Clarus Linen Systems (“Atlas”) (collectively, the “Debtors”), debtors and debtors in possession filed the *Motion by Debtors Centerstone Linen Services, LLC d/b/a Clarus Linen Systems and Atlas Health Care Linen Services Co. d/b/a Clarus Linen Systems for Orders (A)(i) Authorizing the Sale of Substantially All of the Debtors’ Assets Free and Clear of All Liens, Claims, Interests and Encumbrances, Subject to the Terms of the Asset Purchase Agreement and Subject to Higher and/or Better Offers; (ii) Authorizing and Approving the Form of a Certain Asset Purchase Agreement With Linen Newco LLC; and (iii) Authorizing the Debtors to Consummate All Transactions Related to the Proposed Sale; (B) Approving Bidding Procedures and Other Related Relief; and (C) Authorizing the Debtors to Assume Certain Executory Contracts and Unexpired Leases and Assign Such Contracts and Leases to Purchaser Linen Newco LLC* (the “Sale Motion”).²

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Centerstone Linen Services, LLC d/b/a Clarus Linen Systems (5594) (“Centerstone”); Atlas Health Care Linen Services Co., LLC d/b/a Clarus Linen Systems (2681) (“Atlas”); Alliance Laundry & Textile Service, LLC d/b/a Clarus Linen Systems (8284) (“Alliance”); Alliance Laundry and Textile Service of Atlanta, LLC d/b/a Clarus Linen Systems (4065) (“Atlanta”); and Alliance LTS Winchester, LLC d/b/a Clarus Linen Systems (0892) (“Winchester”).

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Sale Motion and/or the Bidding Procedures Order, as applicable.

2. The Debtors are seeking to sell substantially all of their assets located at 60 Grider Street, Buffalo, New York 14215 (the "Buffalo Assets") and 414 West Taylor Street, Syracuse, New York 13202 (the "Syracuse Assets") (collectively, the "Purchased Assets") to the Successful Bidder(s) or Backup Bidder(s).³ Approval of the sale of the Buffalo Assets, the Syracuse Assets or the Purchased Assets to either the Successful Bidder(s) or Backup Bidder(s) may result in, among other things, the assumption, assignment and/or transfer by the Debtors of certain executory contracts and leases (the "Assigned Contracts"). If you are a party to an Assigned Contract with the Debtors, you will receive a separate notice that contains relevant dates and other information that may impact you as a party to an Assigned Contract.

3. On March 20, 2019, the United States Bankruptcy Court for the Northern District of New York (the "Bankruptcy Court") entered an order approving bidding procedures and granting other relief related to the Debtors' proposed sale (the "Bidding Procedures Order"). The Bidding Procedures approved by the Court are attached as Schedule 1 to the Bidding Procedures Order. Pursuant to the Bidding Procedures Order, if the Debtors receive more than one Qualified Bid for the Purchased Assets, the Buffalo Assets or the Syracuse Assets, an Auction for those Assets shall take place on **April 15, 2019, at 10:00 a.m. (prevailing Eastern Time)** at the offices of Bond, Schoeneck & King, PLLC, One Lincoln Center, Syracuse, New York. Only parties that have submitted a Qualified Bid in accordance with the Bidding Procedures by no later than **April 11, 2019 at 4:00 p.m. (prevailing Eastern Time)** (the "Bid Deadline") may participate at the Auction. Any party that wishes to take part in this process and submit a bid for the Purchased Assets, the Buffalo Assets or the Syracuse Assets must submit its bid prior to the Bid Deadline and in accordance with the Bidding Procedures.

4. The Sale Hearing to consider approval of the sale(s) of the Purchased Assets, the Buffalo Assets or the Syracuse Assets to the Successful Bidder(s) or Backup Bidder(s), free and clear of all liens, claims and encumbrances, will be held before the Honorable Margaret Cangilos-Ruiz, Chief United States Bankruptcy Judge for the Northern District of New York, or such other judge as may be sitting in her stead, in the United States Courthouse, James Hanley Federal Building, 100 South Clinton Street, Syracuse, New York on **April 17, 2019 at 1:00 p.m. (prevailing Eastern Time)**, or at such other time thereafter as counsel may be heard. The Sale Hearing may be adjourned from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing.

5. Objections, if any, to the sale, or the relief requested in the Sale Motion (other than with respect to the assumption and assignment of the Assigned Contracts which are the subject of a separate notice) must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) be filed with the clerk of the Bankruptcy Court for the Northern District of New York (Syracuse Division), no later than **12:00 p.m. (prevailing Eastern Time) on April 16, 2019**; and (d) be served upon, so as to be received on the same day by: (i) counsel for the Debtors; (ii) the Office of the United States Trustee for the Northern District of New York; (iii) counsel for the Purchaser; (iv) counsel for HSBC Bank USA, National Association; and (v) counsel for the Committee. **UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN**

³ The Sale Motion identifies Linen Newco, LLC ("Newco") as the "stalking horse" bidder and attaches a copy of an Asset Purchase Agreement between the Debtors and Newco contemplating a sale of the Purchased Assets to Newco.

ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE SALE MOTION WITHOUT FURTHER HEARING OR NOTICE.

6. This notice is subject to the fuller terms and conditions of the Sale Motion, the Bidding Procedures Order, and the Bidding Procedures, which shall control in the event of any conflict and the Debtors encourage parties in interest to review such documents in their entirety. Parties interested in receiving more information regarding the sale of the Purchased Assets, the Buffalo Assets or the Syracuse Assets, or in obtaining a copy of any of the foregoing documents, may make a written request to counsel for the Debtors, Bond Schoeneck & King, PLLC, One Lincoln Center, Syracuse, New York, 13202, Attn: Stephen A. Donato, Esq. and Camille W. Hill, Esq. In addition, copies of the Sale Motion, the Bidding Procedures Order, the Bidding Procedures and this Notice can be found on the Bankruptcy Court's electronic case management website, <http://ecf.nynb.uscourts.gov> and are on file with the Clerk of the Bankruptcy Court.

Dated: March 20, 2019
Syracuse, New York

BOND, SCHOENECK & KING, PLLC

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